

# Memorandum



**Date:** January 16, 2008

**EDHS**  
**Agenda Item No. 1(E)1**

**To:** Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

A handwritten signature in dark ink, appearing to read "G. Burgess", is written over the name "George M. Burgess" in the "From:" field.

**Subject:** Ordinance Designating the Miami-Dade County Office of Community and Economic Development as the Management and Implementation Arm of the Miami-Dade County Empowerment Zone

## **Recommendation**

It is recommended that the Board of County Commissioners (BCC) authorize that 1) Miami-Dade County's Office of Community and Economic Development (OCED) be designated as the management and implementation entity of the Miami-Dade County Empowerment Zone program with management and oversight through the County Executive Office and Board of County Commission (BCC); and 2) the Empowerment Zone Coordinating Council (EZCC) be created to review and make final decisions on funding recommendations that are forwarded through a review process managed by OCED with input from the Neighborhood Assembly process.

## **Fiscal Impact/Funding Source**

There is no fiscal impact to the countywide or UMSA general fund. The remaining federal Empowerment Zone (EZ) grant funding of \$3,929,930, in addition to any program income (i.e. revolving loan fund repayments stemming directly from local matching or federal EZ grant assisted activities), will be used to support the ongoing programs and projects of the EZ program as administered by the County through OCED. OCED is authorized to charge an administrative fee to cover its associated costs.

## **Background**

In 1994, Miami-Dade County, as the lead entity (with the support of the cities of Miami, Florida City and Homestead) submitted an application to the US Department of Housing and Urban Development (US HUD) for EZ Round I designation. However, the County was only awarded the designation of a Federal Enterprise Community, which came with a grant award of \$3 million.

With the hope of succeeding in Round II, Miami-Dade County submitted an application to US HUD in October 1998 for an EZ designation. That application for Round II resulted in a successful submission anticipated to bring \$100 million of EZ funds to Miami-Dade County over the next ten years to be leveraged with matching funds from the County, the partnering cities, Miami-Dade County Public Schools, the State of Florida, as well as investments within the EZ boundaries from the private lending community, private sector businesses, and community organizations. The investment of these resources was targeted at supporting a strategy for economic growth and investment in Miami-Dade's most distressed communities (**see Attachment A**).

The Round II application took the form of what is known as the EZ One Community One Goal Strategic Plan (Strategic Plan), which was the result of many hours of community participation. Those who participated include, but were not limited to, the banking community, chambers of commerce, civic groups and community based organizations, municipalities, Miami-Dade County Public Schools, and individual citizens. The Strategic Plan was organized around five key goals and strategies with implementing plans for each: 1) Jobs and Pathways; 2) Building in the Zone; 3) Growing New Businesses; 4) People and Places: Sustainable Community Development; and 5) Wired – Information Technology in the Zone (**see Attachment B**).

### **Empowerment Zone Today**

Moving into its ninth year of operation, the total received by the Miami-Dade EZ program, since its inception, is approximately \$25.6 million (with \$3.9 million pending draw down). Local match to the program totals approximately \$38 million (combination of County general funds and Documentary Surtax). Other funding sources such as State grants, and revenue from program income has also supported EZ program activities. For the last three years, there has been no additional federal EZ grant fund appropriation.

The Strategic Plan also addressed the implementation structure which indicated that the governance organization should be a non-for-profit 501(c)(3) corporation so that it could more effectively take advantage of characteristics such as engaging in tax exempt financing for projects and receiving tax-deductible contributions. It was also stated in the plan that the entity would have a governing board of a manageable size, with the majority of its members coming from communities in the Zone. Although the initial Strategic Plan envisioned a board of 31 members, the non-profit entity formed in February 1999 known as the Miami-Dade Empowerment Trust, Inc. (the Trust), moved forward with a governing board of 19 members. The change in the number of board members did not represent a major deviation in the Strategic Plan and therefore did not require a plan amendment.

In 1999, the BCC approved a Memorandum of Understanding (MOU) between the County and the Trust that delegated authority to the Trust to govern, direct and implement the Strategic Plan. On July 10, 2007, the County terminated the MOU with the Trust and began the transition of limited activities to OCED. The County Attorney's Office has also been instrumental in assisting staff with the development of an exit strategy with the Trust to finalize all aspects of the termination. A written status update on the EZ program was provided on October 23, 2007 (**see Attachment C**). Staff met with the Trust and their legal counsel as recently as October 26, 2007, and the Trust has indicated that it is their desire to resolve all issues expeditiously with a target date slated for the end of November 2007.

### **Going Forward**

Regarding the implementation structure going forward, staff has met with the EZ municipal partners to discuss options and develop a proposed governance reorganization plan for US HUD's review and approval. Discussions with our EZ municipal partners have focused on establishing an EZCC of no more than five members, which could result in minimizing neighborhood assembly representation. Therefore, this Ordinance allows for the individual representation of each of the neighborhoods in the EZ, which includes the following ten neighborhoods: 1) Airport; 2) Central Business District/Seaport; 3) Melrose; 4) Allapatah/Civic Center; 5) Overtown; 6) Little Havana; 7) Wynwood; 8) Liberty City/Model City; 9) Homestead; and 10) Florida City.

Staff has also begun to participate in community meetings to receive input as well. A meeting is being coordinated with US HUD to discuss the recommended plan, which proposes the following:

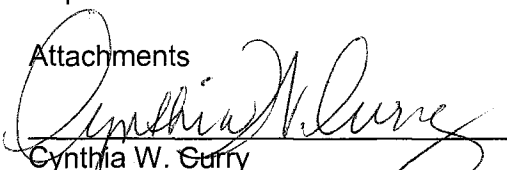
- No longer use a 501(c)(3), but place the management and implementation of the EZ program under the direction of the County Executive Office with OCED as the implementing agency. Because the County is the official grantee of the EZ grant funds, we must be in a position where responsibility for management and program accountability rest squarely with the County.
- Neighborhood Assemblies shall remain intact for each of the neighborhoods in the Empowerment Zone and continue in their current role. Elections will be held and appointments made in line with the current Neighborhood Assembly Guidelines.
- Create the EZ Coordinating Council (EZCC) with appointments from the EZ impacted Mayors and representative(s) from the Neighborhood Assemblies. The 19 EZCC members will be appointed as follows:
  - One member for the Airport neighborhood appointed by the Miami-Dade County Mayor;

- One member for the Central Business District/Seaport neighborhood appointed by the City of Miami Mayor;
  - Eight members, one per each of the eight remaining neighborhoods, elected by their own neighborhood assemblies;
  - Two representatives appointed by the Miami-Dade County Mayor;
  - Two representatives appointed by the City of Miami Mayor;
  - Two representatives appointed by the City of Homestead Mayor;
  - Two representatives appointed by the Florida City Mayor; and
  - One joint representative appointed by the cities of Homestead and Florida City.
- Although the proposed Ordinance establishes the specific number and composition of EZCC members, staff is committed to work with US HUD and the public on the composition of the EZCC. However, the cap of 19 members shall not be exceeded, which is the maximum number currently serving on the Empowerment Trust Board. All EZCC member appointments will be new appointments.
  - Delegate authority to the EZCC whose sole function and authority shall be to review OCED staff funding recommendations and make final determinations on EZ project funding in accordance with US HUD and County requirements and guidelines.
  - Receive input, through the Neighborhood Assembly, process on proposals and funding recommendations prior to final funding recommendations to the Council.
  - Ensure that all funding recommendations are aligned with carrying out the EZ Strategic Plan.
  - Report on a quarterly basis to the BCC on all funding decisions made by the Council and provide reports to the cities of Miami, Florida City, and Homestead.

Although the County administration has communicated with US HUD, their review and approval of this draft plan, which was submitted October 29, 2007, is pending. However, in the interest of time, this proposed ordinance is advanced for first reading since there is a six week period required between first reading and the public hearing. Any adjustments proposed by US HUD and the public can be incorporated at the Committee public hearing. If those recommended adjustments by US HUD dictate that a plan amendment is required, County staff will adhere to US HUD regulations of seeking public participation and will coordinate public meetings during the six week period between first reading and public hearing.

It should be noted that at the County's request, US HUD's Office of Community Renewal directed the US HUD Accounting Center to suspend the draw down of the remaining \$3.9 million in EZ grant funds. However, US HUD has indicated that if the County elects to do so, on an as needed basis, during the transition period, funds may be drawn down as requested by the County to meet any current obligations, such as timely payments to third party contractors. HUD will review our requests and make a decision for either approval or disapproval. OCED is working with the Trust to review outstanding vendor payments and prepare for any necessary and appropriate voucher certifications to US HUD. US HUD will review our requests and make a decision for either approval or disapproval.

Attachments



Cynthia W. Gurry

Senior Advisor to the County Manager

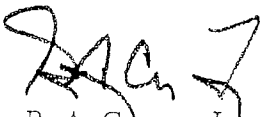


# MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

DATE: November 6, 2007

FROM:   
R. A. Cuevas, Jr.  
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

☒ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised

☒ 6 weeks required between first reading and public hearing

☒ 4 weeks notification to municipal officials required prior to public hearing

☐ Decreases revenues or increases expenditures without balancing budget

☐ Budget required

☐ Statement of fiscal impact required

☐ Bid waiver requiring County Manager's written recommendation

☒ Ordinance creating a new board requires detailed County Manager's report for public hearing

☐ Housekeeping item (no policy decision required)

☐ No committee review

Approved \_\_\_\_\_ Mayor

Agenda Item No.

Veto \_\_\_\_\_

Override \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

ORDINANCE DESIGNATING THE MIAMI-DADE COUNTY OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT AS THE MANAGEMENT AND IMPLEMENTATION ARM OF THE MIAMI-DADE COUNTY EMPOWERMENT ZONE; CREATING THE EMPOWERMENT ZONE COORDINATING COUNCIL; REESTABLISHING NEIGHBORHOOD ASSEMBLIES IN EACH DISTINCT NEIGHBORHOOD; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO AMEND THE EMPOWERMENT ZONE STRATEGIC PLAN AS NECESSARY; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ANY NECESSARY AMENDMENTS TO AGREEMENTS WITH U.S. HUD REGARDING THE EMPOWERMENT ZONE FOLLOWING APPROVAL BY THE COUNTY ATTORNEY'S OFFICE; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ALL NECESSARY CONTRACTS

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA** that this Board:

**Section 1.** Designates the Miami-Dade County Office of Community and Economic Development (OCED) as the management and implementation entity of the Miami-Dade County Empowerment Zone program under the direction of the Mayor of Miami-Dade County and the oversight of the Board of County Commissioners. OCED shall be entitled to and collect an

5

administrative fee for its role in carrying out the management oversight of the Empowerment Zone.

**Section 2.** There is hereby created the Empowerment Zone Coordinating Council (the "Council"). This Council shall be comprised of no more than nineteen members with the majority of members representing the Empowerment Zone neighborhoods to include the areas of the Airport and the Central Business District/Seaport. Council appointments shall be made by the Mayors of the Cities of Miami, Homestead, and Florida City, the Mayor of Miami-Dade County, and from the Empowerment Zone neighborhoods encompassing the following areas: 1) Melrose; 2) Allapatah/Civic Center; 3) Overtown; 4) East Little Havana; 5) Wynwood; 6) Liberty City/Model City; 7) Homestead; and 8) Florida City. Representation for the areas of the Airport and the Central Business District/Seaport shall be considered in the selection of neighborhood representatives on the Council. The Council's sole function and authority shall be to review OCED staff funding recommendations and make final determinations on the funding of all projects and programs funded with federal Empowerment Zone funds and any program income derived from local, and federal Empowerment Zone funds invested in Empowerment Zone assisted activities that are within the established EZ funding criteria, County procurement and fiscal guidelines, and benchmarks approved by the US HUD. The funding recommendations made by OCED staff to the Council shall be based on proposals that are aligned with carrying out the Empowerment Zone Strategic Plan. Prior to final funding recommendations to the Council, OCED shall receive input during the review of proposals through the currently existing Neighborhood Assembly process. OCED shall implement the Council's funding decisions. The Empowerment Zone Coordinating Council shall operate through the end of the County's designation as an Empowerment Zone.

**Section 3.** Neighborhood Assemblies shall re-established and convened for each of the neighborhoods in the Empowerment Zone. The role of the Neighborhood Assemblies shall be threefold: (1) to guide the implementation of the Empowerment Zone Strategic Plan and to make recommendations on projects to OCED; (2) to advise and recommend to OCED when appropriate, amendments and revisions to the Strategic Plan, and (3) to name representatives to the EZCC.

**Section 4.** OCED shall report quarterly to the BCC on all funding decisions made by the Council. These reports shall also be provided to the Cities of Miami, Florida City and Homestead.

**Section 5.** The designation of OCED as the implementing arm of the Empowerment Zone shall terminate upon the expiration of the County's designation as an Empowerment Zone.

**Section 6.** The Mayor or his designee is authorized to take all actions necessary to carry out the purposes of this ordinance, including but not limited to, amending the Empowerment Zone Strategic Plan, executing amendments of the Memorandum of Agreement with U.S. HUD, executing any necessary interlocal agreements with the cities of Miami, Florida City, and Homestead.

**Section 7.** If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

**Section 8.** It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be

changed to "section," "article," or other appropriate word.

**Section 9.** This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

**Section 10.** Sunset. This ordinance shall sunset on January 1, 2010.

PASSED AND ADOPTED:

Approved by County Attorney as  
to form and legal sufficiency:

Prepared by:

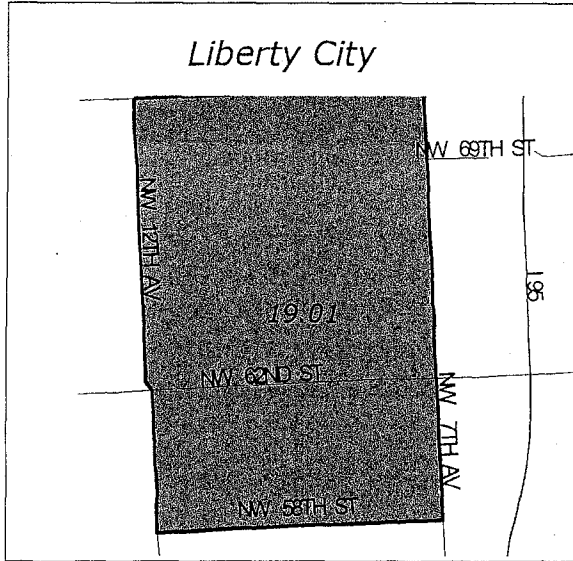
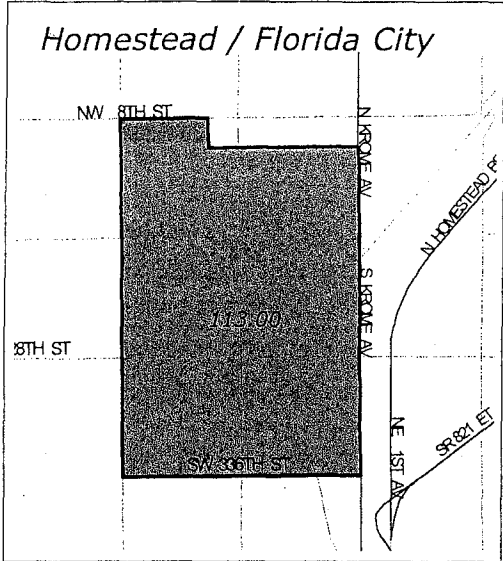
Shannon D. Summerset

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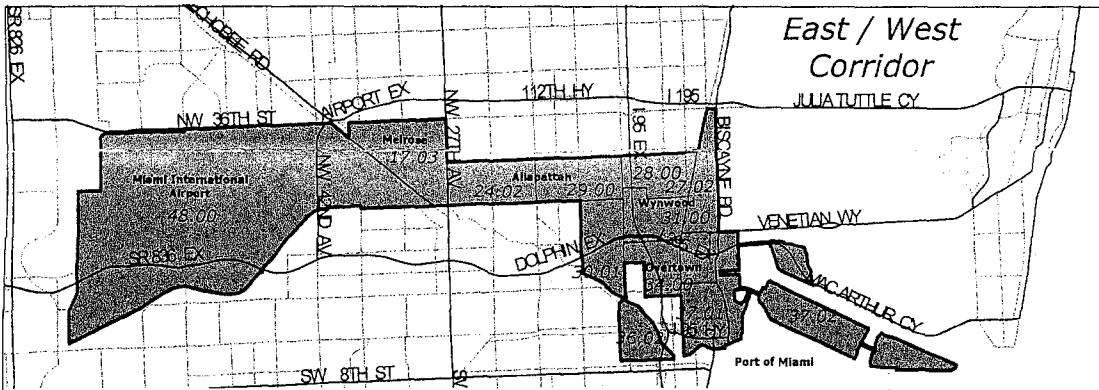
# Attachment A



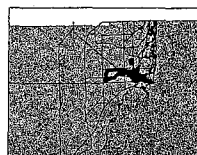
## Federal Empowerment Zone 1998



COMMUNITY NAME	1990 TRACT#	1990 POP.	POVERTY%	%HISPANIC	%BLACK NON-HISPANIC	%OTHER NON-HISPANIC	SQUARE MILES
Airport	48.00	105	25	69.6	5.4	25.0	5.4
Melrose	17.03	4057	34	86.8	5.3	8.0	0.8
Allapattah	24.02	4748	47	83.5	10.3	6.2	0.5
	29.00	3427	41	72.1	20.0	7.9	0.5
Civic Center	30.01	3073	44	39.3	38.7	22.1	0.5
Overtown	31.00	5392	57	6.5	92.5	1.1	0.4
	34.00	2799	53	1.6	98.4	0.0	0.3
Little Havana	36.02	7418	48	92.0	2.9	5.1	0.3
CBD & Seaport	37.01	623	47	70.3	7.3	22.4	0.4
	37.02	1055	55	26.5	50.9	22.6	1.3
Wynwood	27.02	1857	46	65.9	20.8	13.3	0.4
	28.00	2363	58	34.0	56.8	9.2	0.4
Liberty/Model City	19.01	3726	44	0.9	98.9	0.2	0.4
Homestead/Ft City	113.00	8973	50	30.7	62.8	6.5	1.5
Total for all Tracts		49616	48	48.4	44.6	7.0	13.1



- Highway
- Major Road
- Federal Empowerment Zone
- Census Tract Boundary



9

## **Attachment B**

### **Five Strategies Outlined in the 1997-98 One Community One Goal Strategic Plan**

1. **Jobs and Pathways.** (Three Goals).
  - a. Provide privileged training and placement of EZ persons in more than 5,000 jobs.
  - b. The County and its partners would take full advantage of the already existing job-training and infrastructure to provide EZ residents with an available network of job and training linkages.
  - c. Develop an Education Workforce Business Partnership to monitor and track the success of pathways to jobs.
2. **Building in the Zone.** (Three Goals).
  - a. Execute a new procurement process to assure that trained contractors and residents from the EZ will have privileged access to construction projects.
  - b. Hiring and training from within the EZ rather than importing labor for construction projects planned for the EZ and the region.
  - c. Commit to train and produce up to 2,500 students and apprentices over five years in all major construction trades needed in Miami-Dade. (This was stated as a commitment from the Miami AFL-CIO and the American Builders and Contractors Institute as opposed to the County's Trust).
3. **New Business.** (Three Goals)
  - a. Transform over \$400 million in new capital commitment (from banks and other institutions) into a momentum-building investment base for the EZ businesses.
  - b. Establish an International Trade Board in the EZ to physically and financially link residents and businesses to trade and tourism.
  - c. Invest in education and training programs to prepare EZ students and business persons for careers in seven fields: international trade, biomedicine, film and entertainment, financial services, information technology, telecommunication and tourism.
4. **People and Places; connecting people to opportunity.** (Five goals)
  - a. Provide universal access to daycare, healthcare to families and children and early childhood education through investment strategies and community based delivery systems.
  - b. Comprehensive early childhood development and learning readiness for all children under 6 years old and drop-out prevention programs for at risk high school students.
  - c. Crime reduction through investment in community policing activities and investment in youth activities.
  - d. Redirect the westward suburban expansion by making the urban core and the EZ a magnetic place to live and work.
  - e. Create smart growth and improve transportation, remove development obstacles such as Brownfields, protect the environment and preserve open spaces and the ecosystem.
5. **Wired Information Technology in the Zone.** (Three Goals)
  - a. Unite the business, training entities and school into a Virtual One-Stop Employment System.
  - b. Incorporate technology into school and training curricula at all levels of instruction; from basic computer literacy to high tech training.
  - c. Make technology accessible in homes, businesses, neighborhood centers, schools and public libraries. Create repositories of information including, job skills bank, training resources, financial resources, government resources and land/GIS.

## Memorandum



**Date:** October 23, 2007

**To:** Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners

**From:** George M. Burgess  
County Manager

**Subject:** Update on Miami-Dade Empowerment Zone Status

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of George M. Burgess.

The following is a brief report on the status of the Miami-Dade Empowerment Zone (EZ) as requested by the Economic Development and Human Services (EDHS) Committee at its meeting of October 10, 2007. This information was provided to the Committee as an oral report.

### Background

As of October 1, 2007, all of the employees of the Miami-Dade Empowerment Trust (MDET), with the exception of two individuals, were transitioned to positions in other County departments. Mr. Aundra Wallace, President and Chief Executive Officer, and Mr. Rodney Carey, Chief Financial Officer, are the remaining two Trust employees. Because there is no Memorandum of Understanding in effect between the County and the Trust, these individuals are no longer County employees and neither they, nor the MDET Board, are authorized to carry out any aspect of the EZ program on behalf of the County. Once the close-out of the major outstanding issues is complete, we see no further role for MDET to continue in the management of any component of the EZ program.

Significant business issues associated with the termination of MDET remain unresolved. Those issues include addressing the final disposition of program income and real property assets. The County believes these issues must be substantially resolved before any plans to move forward are proposed to the US Department of Housing and Urban Development (US HUD). Recognizing the financial constraints that have challenged the full implementation of the Empowerment Zones around the nation, Miami-Dade County, working with the EZ partners (cities of Miami, Homestead, and Florida City), remains committed to carrying out the goals identified in our Empowerment Zone Strategic Plan through December 2009, when the program expires. Working with our partners and the community, a proposed plan of action will be presented to US HUD in the very near future.

Regarding the disposition of funds and other assets, the following is the County's preliminary assessment:

#### Federal Empowerment Zone Funds

Based on discussions with both US HUD representatives and staff from MDET, there is a federal appropriation of \$3,929,930 remaining for use in the Empowerment Zone. Although, the MDET in the past has had total discretion to draw these funds down, the County has been assured by US HUD that that no further draw down will be made until a plan is approved to move forward.

#### Loan Portfolios and Associated Program Income

The loan portfolios encompassing the Community Development Revolving Loan Fund, Section 108, Brownfields Economic Development Initiative (BEDI) and Economic Development Initiative (EDI) portfolios, DEEDCO and the BAC) are being returned to the Office of Community and Economic Development (OCED) for management and oversight.

The loan portfolio encompassing the Venture Capital Fund (solely County general fund) and other loans using both federal Empowerment Zone and County general funds is valued at approximately \$8.8 million.

Honorable Chairman Bruno A. Barreiro  
and Members, Board of County Commissioners  
Page 2

It is the County's position that this portfolio be returned immediately to the County for management and oversight.

Villas of St. Agnes/Program Income

The law firm of Holland and Knight is currently holding in escrow approximately \$2.7 million from the sale of homes in the Villas of St. Agnes development. This project was supported with both local Documentary Surtax and Federal Empowerment Zone funding. The County asserts that a significant share of the program income is due to be returned to the County. We have requested of the MDET for the accounting of any funds that have been disbursed from this escrow account, including the purposes for which the funds were used.

Poinciana Industrial Center (PIC)

The County is requesting the return of the property conveyed to MDET as the Master Developer of the PIC.

Infill Parcels

The County is requesting the return of ten infill housing lots conveyed through Resolution R-470-06.

7th Avenue Transit Hub

The MDET role in the development of this project has been terminated. The MDET is required to provide a report that accounts for the funds expended on this project to date and addressing the issues raised by the County OIG regarding the appropriateness of certain expenditures.

**Additional Information**

Since the October 10, 2007 meeting of the EDHS Committee, staff has met with our EZ partners to obtain input on a plan to reorganize, manage, and operate a program to complete the EZ designation. The decision on how we move forward with the EZ designation is not solely up to the County; therefore, in put and support from our EZ partners is required.

We will continue to keep you apprised of developments regarding the conclusion of the Trust business issues and any proposed plan developed for continued successful implementation of Miami-Dade County's Empowerment Zone Strategic Plan. Staff will report to the EDHS Committee on a periodic basis with details around a plan with our EZ partners as details become available.

If you have any questions or concerns, please feel free to contact me or Senior Advisor Cynthia W. Curry at 305-375-4126.

c: Honorable Carlos Alvarez, Mayor  
Denis Morales, Chief of Staff  
Cynthia W. Curry, Senior Advisor to the County Manager  
Robert A. Cuevas, County Attorney  
Shannon Summerset, Assistant County Attorney  
Jose Cintron, Director, Office of Community and Economic Development  
Jennifer Glazer-Moon, Director, Office of Strategic Business Management  
Maria Ortiz-Hill, Director, Community Planning and Development Div., US HUD

12